LEGAL UPDATE

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Legal Update

Complete Victory for Puerto Ricans in Federal Welfare Case

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On August 3, 2020, the District Court for the District of Puerto Rico granted a total victory for several plaintiffs represented by Reichard & Escalera, together with the firm of Quinn Emanuel Urquhart & Sullivan in a case filed against the US Department of Health, the US Department of Agriculture and the Social Security Administration ("Government"). Specifically, Judge William Young entered an Order declaring unconstitutional the exclusion of PR residents from the social benefits programs known as SSI, SNAP and LIS under the Equal Protection Clause, and enjoined the Government from applying the programs and their regulations in a way that excludes PR residents. Judge Young granted the Government a 60-day administrative stay of the injunction, except as to the nine named Plaintiffs.

The Court held that "none of the Government's proposed theories supplies a rational basis for the discriminatory policies against Puerto Ricans." Based to a certain extent on the rationale of the First Circuit's opinion in *U.S. v. Vaello-Madero, 956 F. 3d 12 (1st Cir. 2020)* (that dealt with an equal protection challenge to the SSI program only) the Court distinguished the Supreme Court decisions in *Califano v. Gautier Torres,* 435 U.S. 1 (1978) and *Harris v. Rosario,* 446 U.S. 651 (1980). Both cases upheld the disparate treatment for residents of Puerto Rico in social welfare programs many years ago.

Considering the First Circuit's findings in *U.S. v. Vaello-Madero*, the District Court examined anew whether the present circumstances in Puerto Rico support the discrimination under the equal protection rational basis review and determined that they did not. In sum, the Court held that Congress cannot categorically exclude a non-suspect class of people from federal benefits programs based on arguments relating to Puerto Rico's tax status, the potential disturbance to its economy and the saving of money.

This an important step forward in the fight for equal treatment for the most underprivileged residents of Puerto Rico. It is expected that the Government will take this case all the way up to the US Supreme Court.

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